

Senate Resolution No. 16

Introduced by Senator Alarcon

Relative to federal legislation imposing a six-month moratorium on terminations of certain pension plans.

WHEREAS, On Tuesday May 10, 2005, 26,000 active and retired United Airlines flight attendants had their hard-earned pension rights thrown into doubt; and

WHEREAS, Over 100,000 United Airlines employees and retirees were affected when a bankruptcy court approved an agreement between the Pension Benefit Guarantee Corporation and United Airlines to terminate all employee pension plans for a \$1.5 billion payment; and

WHEREAS, The court's approval of this backroom deal has interfered with the right of the United Airlines flight attendants to defend their pension plans through the bankruptcy process based on the merits of the plans as measured against the standards of the Employee Retirement Income Security Act of 1974; and

WHEREAS, The Association of Flight Attendants had presented United Airlines with realistic solutions to address funding issues and to ensure viability of their defined benefit plan, which United Airlines rejected before negotiating the agreement that will deprive most United Airlines flight attendants of over half of their modest retirement benefits; and

WHEREAS, In making this agreement with United Airlines, the Pension Benefit Guarantee Corporation reversed itself, having publicly declared only days before that the flight attendant's plan could and should be saved; and

WHEREAS, These actions threaten defined benefit plans nationwide; and

WHEREAS, Representative George Miller and Senator Edward Kennedy have introduced legislation to place a six-month moratorium on the termination of certain pension plans by the Pension Benefit Guarantee Corporation; and

WHEREAS, This legislation will permit United Airlines flight attendants to continue to seek judicial review of the decision of the bankruptcy court and of the viability of their pension plan, and will also help to promote retirement security nationwide; now, therefore, be it

Resolved by the Senate of the State of California, That the Senate respectfully requests the President and the Congress of the United States to support and pass legislation to place a six-month moratorium of the termination of certain pension plans by the Pension Benefit Guarantee Corporation; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the author for appropriate distribution.

Senate Resolution No. 16 read and adopted by the Senate June 23, 2005.

Attest: _____
Secretary of the Senate